

EXCISE

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DEPARTMENT OF STATE

Memorandum of Conversation

DATE: July 18, 1955

SUBJECT: Saudi Arabian - U. S. Relations

PARTICIPANTS: Mr. George V. Allen, Assistant Secretary, NEA
H.E. Sheikh Hafiz Wahba, Saudi Arabian Ambassador to United Kingdom
Sheikh Ahmed Jabbar, Saudi Arabian Charge d'Affaires
Mr. David Newsom, NE

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Sheikh Hafiz Wahba paid a courtesy call on Mr. Allen during the course of a visit to the United States to obtain treatment for a serious eye condition.

Sheikh Hafiz explained that he has been in the United Kingdom as Ambassador 25 years, yet, during that time, he has maintained touch with his own country by frequent visits home. He said that, with his government, it was necessary to go home and report in person; his government, under the old King, rested with the King

Buraimi

He told, for example, how, during the Buraimi Oasis dispute, he returned seven times to Jidda.

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Development:

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Development

Mr. Allen asked if the large amounts of oil revenue were yet making an impact on the development of the country. Sheikh Hafiz said the impact was coming, but it was slow. He explained that [REDACTED] no one in the country [REDACTED] gained any real experience in administration. This must come, he said, with time. There are plans for new roads, for rebuilding Riyadh, for extending the railway ("whether good or bad"), for health, schools, and water development. (b)(6) (b)(7)(D)

Mr. Allen stressed that this development was very important. "Today you have oil revenues of \$275,000,000," said Mr. Allen. "In ten years you may have revenues of two billion." He explained that the United States might, over the years, sharply increase its off-take of oil in the Middle East and this would mean more revenue for Saudi Arabia. (b)(6) (b)(7)(D)

Difficulties with Iraq

Mr. Allen asked about the difficulties between Saudi Arabia and Iraq. [REDACTED] (b)(6) (b)(7)(D)

Egypt

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U.S. Adherence

Mr. Allen spoke of the Pact, indicating that the U.S. had been considering adherence, but felt there was no immediate necessity since we already possessed close ties with these countries. Sheikh Hafiz said we were wise to stay "neutral," for the present. Mr. Allen corrected him to say that we were not "neutral" since we favored the pact, but were merely not adhering. He stated that, despite the feeling of some that we were "hysterical", our main concern is the threat from the north and we are in favor of those defensive alliances which appear to meet this threat. The Baghdad Pact has the necessary elements. He said, however, our present decision not to adhere is partly because we do not wish to become involved in Arab politics. Sheikh Hafiz said he felt this was a wise decision and that, had the British not wished to provide a substitute for their treaty with Iraq they probably would not have adhered so quickly. Sheikh Hafiz added, however, that communism was the enemy of the Arabs as well and that they, too, were concerned with the problem.

Relations with the U.S.

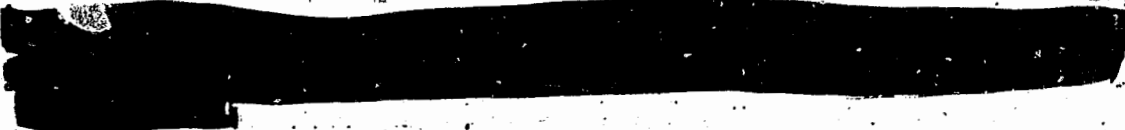
Sheikh Hafiz mentioned that relations with the United States were not as good as they had been five years before. In answer to Mr. Allen's query, "why?", Sheikh Hafiz said he didn't know exactly. He mentioned as possible causes Palestine, North Africa, and recent problems over the Turk-Iraq Pact. He agreed with Mr. Allen, however, that there was a slight improvement in recent days.

Plans of Sheikh Hafiz

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(During the course of the conversations, Sheikh Jabbar, the Saudi Charge d'Affaires in Washington, made what appeared to be representations from his Government on the matter of articles in the American press concerning Saudi Arabia and the North African question. These are covered in separate memoranda.)

[Signature]
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